

## **City of Fremont**

**Continuing Disclosure Annual Report  
Fiscal Year 2009/10  
(Per SEC Rule 15c2-12(b)(5))**

**\$4,660,000  
2002 Limited Obligation Refunding Bonds,  
2002 Consolidated Local Improvement  
District 25 and 40**

**Final Maturity: September 2, 2011**

### **CUSIP Numbers**

<b>357131 K91*</b>	<b>357131 L25*</b>	<b>357131 L33*</b>
<b>357131 L41*</b>	<b>357131 L58*</b>	<b>357131 L66*</b>
<b>357131 L74*</b>	<b>357131 L82*</b>	<b>357131 L90</b>

**\* Bonds retired at their scheduled payment dates, as of March 31, 2011**

**March 31, 2011**

Continuing Disclosure Annual Report  
For the City of Fremont  
Limited Obligation Refunding Bonds  
2002 Consolidated Local Improvement  
District 25 and 40  
Fiscal year 2009/10

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This report contains certain information required to be filed annually per SEC rule 15c2-12(b)(5) (the "Rule") by the City of Fremont (the "City"). The Rule is applicable to the Limited Obligation Refunding Bonds issued by the City in the aggregate sum of \$4,660,000 (the "Bonds"), pursuant to the authority granted by the Fiscal Agent Agreement dated June 1, 2002, between the Authority and the BNY Western Trust Company (the "Trustee").

SEC rule 15c2-12(b)(5) requires that an issuer undertake in a written agreement or contract, for the benefit of holders of the securities issued, to file the following:

- i. Certain financial and Bond information as presented in the Continuing Disclosure Certificates
- ii. Audited financial statements
- iii. Notice of certain enumerated significant events
- iv. Notice of any failure to provide such annual financial information as agreed

In compliance with SEC rule 15c2-12(b)(5), the Authority signed a Continuing Disclosure Certificate related to the Bonds on June 27, 2002. This certificate requires the Authority to make the various informational and event disclosures listed above either annually or within a reasonable time after their occurrence. These disclosures must be filed with the Electronic Municipal Market Access system (EMMA) operated by the SEC, and will include:

1. The City's audited financial statements prepared in accordance with generally accepted accounting principals as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law.

**THE CITY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES and EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE CITY ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.**

These financial statements include operating data with respect to the City for the fiscal period reported upon. A copy of the 2010 Comprehensive Annual Financial Report (CAFR) for the City of Fremont (for fiscal year 2009/10) is available on the City of Fremont's website at the following link:

→ <http://www.fremont.gov/index.aspx?NID=527>

2. The following additional information is disclosed as required by the Disclosure Certificate:

- i. The principal amount of the Bonds outstanding at June 30, 2010, was **\$820,000**.
- ii. The balance in the Reserve Fund at June 30, 2010, was **\$196,286**, as compared to the reserve requirement of \$49,200, which is computed based upon 6% of the amount of the Bonds outstanding.
- iii. The total assessed value of all parcels currently subject to the annual reassessment levy is **\$129,729,942**, which equals the current year's assessed value for the District.
- iv. The delinquency rate in the payment of assessments for the most recent fiscal year was **.11%**.
- v. Concerning delinquent parcels: (a) the number of parcels delinquent in payment of assessments, and (b) the amount of total delinquency, and (c) whether the City has fulfilled its covenant to pursue foreclosure proceedings upon delinquent properties.

**(a) There is one parcel delinquent in the payment of assessments. (b) The total delinquent amount is \$566.32 as of February 14, 2011. (c) The property owners of the delinquent parcel have been notified of their delinquent status and the City has demanded payment under threat of foreclosure. The demand-based collection process is being used to minimize the cost of foreclosure proceedings in light of the small delinquent amounts and the adequacy of coverage from all other assessments even if these amounts are not immediately collected.**

- vi. The following table shows each parcel in the District securing more than ten percent of the annual assessment levy for the fiscal year ending June 30, 2010, (or for any individual assessment levy for that fiscal year) the following from the most recently available County Assessor's roll (as of December 15, 2010): (a) name of owner, (b) Assessor's Parcel Number(s), (c) Assess value (by land, improvement and total), and (d) the [parcel's] share of the percentage of the assessment levy for fiscal year 2009/10.

Parcel # (b)	Owner (a)	Land Value (c)	Improvement Value (c)	Total (c)	% Share of Assessment Levy (d)
519 -1687-052-03	SOBRATO INTERESTS	2,065,290	9,935,167	12,000,457	10.50%

### **Reporting of Significant Events**

Pursuant to the provisions of the Continuing Disclosure Certificates, the issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if material:

- 1) Principal and interest payments delinquencies.
- 2) Non-payment related defaults.
- 3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- 4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- 5) Substitution of credit or liquidity providers, or their failure to perform.
- 6) Adverse tax opinions or events affecting the tax-exempt status of the security.
- 7) Modifications to rights of security holders.
- 8) Bond calls.
- 9) Defeasances.
- 10) Release, substitution, or sale of property securing repayment of the securities.
- 11) Rating changes.

**→ No significant events are known by the City to have occurred relating to Bonds through the date of this report. The City is also unaware of any instances of failure to provide annual financial information as agreed.**

Dated: March 31, 2011

City of Fremont



By Harriet V. Commons,  
Finance Director/Treasurer  
(510) 284-4010

## APPENDIX A

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*City of Fremont  
Audited Financial Statements  
for the Fiscal Year Ended June 30, 2010*

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